



**MEETING OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY
33 N Dearborn St, Suite 1000
Chicago, IL 60602**

Minutes for the July 9, 2015 Meeting of the Board - Amended

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County are herein collectively referred to as the "Fund."

Call to Order and Roll Call

Trustees Present: Alexis Herrera, Jack Fitzgerald, Diahann Goode, Brent Lewandowski, Patrick McFadden, Patrick Nester, Samuel Richardson, Jr. and Lawrence Wilson

Staff Present: Nickol R. Hackett, Executive Director & CIO; Michael Maratea, Director of Finance and Administration; Gary LeDonne, Senior Benefit Advisor; Brenda Deming, Director of Health Benefits; Margaret Fahrenbach, Legal Adviser; Paul Rzeszutko, Director of Annuity Benefits; Beverly Romanini, Office Manager

Others Present: Mary Pat Burns, Burke Burns & Pinelli, LTD; Mia Cole Nelson, Teamsters Union Member

Trustee Herrera opened the meeting for public comment and no person present asked to address the Board.

1. Review and Consideration of:

a. June 4, 2015 Board Meeting Minutes

It was moved by Trustee Goode and seconded by Trustee Richardson that the minutes of the June 4, 2015 Board meeting be adopted.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

2. Review and Consideration of:

a. Bills, Payroll Records, Annuities, Spouse and Child Annuities, Ordinary and Duty Disabilities, and Refunds.

The Fund's monthly bills and payroll records were presented for the Board's approval. It was then moved by Trustee Lewandowski and seconded by Trustee McFadden that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records be approved.

Roll Call Vote:

AYES: Fitzgerald, Herrera, Goode, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for annuities, spouse and child annuities, and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee Fitzgerald and seconded by Trustee Richardson, after due consideration of the applications presented to the Board and having received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

The Fund's staff presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was moved by Trustee Goode and seconded by Trustee Lewandowski, after due consideration of the disability applications presented to the Board and having received confirmation from staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented disability applications be approved.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Report

a. 2015 Reciprocal Conference

Nickol R. Hackett, Executive Director & CIO, reported that the Reciprocal Conference would be held in Springfield, Illinois on August 23-25, 2015. At past conferences, the Fund staff has found the annual meeting to be a good opportunity to discuss common issues that affect other public pension funds in Illinois in benefits administration and fund operations.

It was moved by Trustee Lewandowski and seconded by Trustee Richardson that the expenses, including any associated travel expenses incurred by Fund staff in attending the Reciprocal Conference on August 23-25, 2015, in Springfield, Illinois, at a projected cost of \$500 per attendee be approved provided that any reimbursement be included and for amounts consistent with the Fund's Travel Reimbursement Expense Policy.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

b. Health Consultant Renewal

The Executive Director stated that the proposed agreement for the engagement of Segal Consulting was under consideration with a three year term. The services to be performed relate to role setting and medical pharmaceutical cost analysis; separate projects to be engaged as needed. The trustees requested that Segal should present a description of the services performed with each billing statement delivered to the Fund.

It was moved by Trustee Lewandowski and seconded by Trustee Goode that the Board approve the proposed service agreement with Segal Consulting effective for a three year term, at an annual fee not to exceed \$60,000 to be paid quarterly for work performed within the outlined scope and any fees for work not within the outlined scope to be billed on an hourly basis or at a set project fee. It is further moved that the Fund staff shall have authority to take all steps reasonably necessary to effectuate the foregoing including the execution and delivery of related written agreements on behalf of the Fund by the Executive Director.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

4. Funding Proposal and Impact Study Authorization

The Executive Director stated that in the current period of pension reform, the Fund may need to provide data necessary to evaluate the impact of legislative proposals that might be received from the County administration. The trustees discussed that the Fund should be able to engage the Fund actuary to respond to reasonable requests from the County administration regarding funding proposals.

It was moved by McFadden and seconded by Trustee Lewandowski that the Board approve the engagement of Buck Consultants on a project basis as might be reasonably requested by the County administration to perform analysis regarding the impact of various funding proposals for solvency purposes as directed by Fund staff.

Roll Call Vote:
AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

5. Finance Report

a. Third Quarter Cash Flow

Mike Maratea, Director of Finance, presented the cash flow needs expected in the third quarter for both the County Fund and the Forest Fund.

It was moved by Trustee McFadden and seconded by Trustee Lewandowski that the County Fund shall have authority to withdraw cash in an aggregate amount not to exceed \$80 million to cover projected expenses through September 30, 2015, and that the Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing.

It was also moved that the Forest Fund shall have authority to withdraw cash in an aggregate amount not to exceed \$3 million to cover projected expenses through September 30, 2015, and that the Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing.

Roll Call Vote:
AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

6. Legal Matters

a. In the Matter of Nomellini – Supplemental Findings

Margaret M. Fahrenbach, Legal Advisor, stated that this matter was on appeal to the Circuit Court of Cook County following the Board's approval of disability benefits through August 29, 2006. The Circuit Court remanded that matter and asked the Board to prepare to define the period of disability. Ms. Fahrenbach asked the Board to consider the presented Supplemental Findings which defined the period of disability as determined from the record.

It was moved by Trustee McFadden and seconded by Trustee Nester that the Board adopt the Supplemental Findings for *In the Matter of Nomellini*, 12 RBCC 004 and that they be admitted into the record for this proceeding.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

b. In the Matter of Feinstein – Hearing Officer Recommendations

The Legal Advisor then presented the Recommended Opinion and Supplemental Recommended Opinion that had been submitted by the Hearing Officer. The trustees discussed that there was a conflict in the record regarding the medical opinions about the member's disability. They suggested that an Independent Medical Evaluation be obtained regarding the member's disability for the Board to consider.

It was moved Trustee McFadden and seconded by Trustee Richardson that the Fund retain an Independent Medical Evaluation regarding the disability of Lowell Feinstein, M.D. for the Board's consideration about his eligibility for disability benefits.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

c. Section 1-117 Matters

Ms. Mary Pat Burns then addressed the Board about litigation matters involving the Fund.

It was moved by Trustee McFadden and seconded by Trustee Richardson that the Board convene an Executive Session pursuant to Section 2(c)(11) of the Open Meetings Act to discuss matters relating to litigation.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the Board adjourn the Executive Session and reconvene the open session.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

Following the return to open session, it was moved by Trustee Fitzgerald and seconded by Trustee Goode that the administrative hearings requested by Howard Zaren, M.D. and Russell Tomar, M.D. be consolidated and that Mr. Patrick T. Driscoll be appointed the hearing officer to determine if the Board may adjust the annuity benefits provided to the members because the calculations were based upon earnings that exceeded the limitations imposed by Section 1-117 of the Illinois Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

It was then moved by Trustee Fitzgerald and seconded by Trustee Goode that the Fund file an Interpleader in response to the attachment proceeding in *United States v. Moreno*, 12 CR 459.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

7. Disability IME Authorization

The Executive Director presented the concept of augmenting disability management and case review with an IME on a trial basis. Ms. Hackett then proposed to retain CorVel Corporation based on their procedure and engagement with the County's Risk Management Department on a trial basis for referral services for Independent Medical Evaluations that might be requested by the County physician or Fund staff in evaluating applications for ordinary disability benefits. The costs for IMEs have been budgeted for the current fiscal year and have not drawn upon for through this date.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board approve the retention of CorVel Corporation to provide independent medical evaluations, consistent with the terms and fees proposed, and in accordance with the County's Risk Management Department's current engagement. It is further moved that the Fund staff shall have authority to take all steps reasonably necessary to effectuate the foregoing including the execution and delivery of related written agreements on behalf of the Fund by the Executive Director.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

8. Old Business/New Business

The trustees discussed whether the Fund has ever reviewed the accounts from members that might never be paid out annuity benefits and, if refunds were issued, whether it would impact the unfunded liability. It was noted that the actuary had already reviewed and adjusted the handling of this group and that any additional modifications would likely have little to no impact on the unfunded liability.

The Board also discussed the need for obtaining additional hearing officers for the administrative hearings the members requested.

The Executive Director stated that Trustee Robert Janura, the Forest Preserve annuitant member, had submitted his resignation that morning and that it had been accepted. The Board would need to plan for filling the vacancy as permitted by Section 9-187 of the Penions Code.

Trustee Lewandowski extended congratulations on behalf of the Board to the Chief Investment Officer and the Investment Staff for receiving recognition as the “Small Plan of the Year” at the 2015 Annual Hedge Fund Industry Awards held in New York City in June, 2015.

9. Adjournment

There being no further business before the Board, it was moved by Trustee McFadden and seconded by Trustee Goode that the trustees adjourn the meeting.

The next Board meeting is scheduled for August 6, 2015, at 9:30 a.m.